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### **USTR Announces Apparel Quota Increase for Cambodia**

United States Trade Representative Charlene Barshefsky announced today that the United States has given Cambodia a 5 percent apparel quota increase in recognition of progress made by the Royal Government of Cambodia in the enforcement of internationally recognized core labor standards. The quota increase, granted under the U.S.-Cambodia Bilateral Textile Agreement of 1999, became effective on Friday, May 12.

“The U.S.-Cambodia labor agreement has led to significant improvements in working conditions in Cambodia, in a relatively short period of time,” said Ambassador Barshefsky. “We are encouraged by the strides that Cambodia has made and we applaud its commitment to improving labor rights in this critical sector. We hope that continued cooperation between our two countries will lead to increased opportunities for both Cambodian apparel workers and U.S. exporters.”

The Cambodian Government, the Garment Manufacturers Association of Cambodia and the International Labor Organization (ILO) reached agreement earlier this month to establish a new project to monitor working conditions in the Cambodian garment industry. The U.S. Government announced in December 1999 that it would provide a 5 percent quota increase for the quota year 2000, once the proposed ILO program was agreed upon.

The ILO program will provide for factory visits by ILO monitors, who will collect information about factory compliance with internationally recognized core labor standards and Cambodian labor law. The program will produce quarterly public reports, the results of which the U.S. Government will consider when making its annual decision regarding whether to grant Cambodia a 14 percent quota increase, under the terms of the January 1999 U.S.-Cambodia Bilateral Textile Agreement.

The ILO monitoring program will run for three years at a cost of \$1.4 million. The U.S. Government will provide \$1 million, while the Cambodian Government and Garment Manufacturers Association will provide \$200,000 each.

**Background**

The U.S.-Cambodia textile agreement is the first bilateral textile trade agreement containing a labor provision. It permits an annual quota increase of 14 percent if the U.S. finds that Cambodia is in “substantial compliance” with its labor laws and internationally recognized core labor standards. In December 1999, the U.S. Government found that Cambodia was not in “substantial compliance” with its labor laws and therefore not entitled to the 14 percent increase. However, the U.S. Government sought to acknowledge that progress had been made by the Royal Government of Cambodia in this area, and offered a 5 percent increase, effective as soon as an ILO independent monitoring program was established.